

## INDEPENDENT ACCOUNTANTS' REPORT

To the Audit Committee of the Board of Directors  
McLeodUSA Telecommunications Services, Inc.  
Cedar Rapids, IA

We have examined management's assertion, included in the accompanying "Representation of Compliance with FCC Order Docket Number 96-128", that McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") complied with 47 C.F.R. Section 64.1310, as discussed in the Federal Communications Commission's (the "FCC") Report and Order in CC Docket No. 96-128, released on October 3, 2003, regarding *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996* (the "Order"), as of June 30, 2005. Management is responsible for McLeodUSA's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about McLeodUSA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about McLeodUSA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on McLeodUSA's compliance with specified requirements.

In our opinion, management's assertion that McLeodUSA complied with the aforementioned requirements as of June 30, 2005, is fairly stated, in all material respects, based on criteria set forth in Section 64.1320(c) of the FCC's Code of Federal Regulations and in management's assertion.

This report is intended solely for the information and use of the management of McLeodUSA, the FCC, applicable facilities-based long distance carriers and applicable payphone service providers identified in Section 64.1320(b) and is not intended to be and should not be used by anyone other than these specified parties.



September 20, 2005